

4 March 2009

**Jarvis Securities plc**  
**('Jarvis' or the 'Company')**

**Interim Results, AGM Notice and Prior Distributions**

As set out in the announcement earlier today of the Company's results for the year ended 31 December 2008, amounts totalling £1,393,345 were paid to shareholders during 2008 as dividend payments. Due to a procedural issue, the interim distribution of 7p per Ordinary share paid on 25 July 2008 requires ratification by the Members at the Annual General Meeting.

Details of this are included within the Notice of the Annual General Meeting distributed with the Annual Report to Members today. The Annual General Meeting will be held at the offices of the Company on Tuesday 14 April 2009 at 9.00 a.m. The resolutions to be considered are as follows:

The Ordinary Resolutions to be considered are:

1. To approve the Directors' Report and Accounts for the year ended 31 December 2008.
2. To re-appoint Messrs. Horwath Clark Whitehill LLP as auditors.
3. To approve the appointment of Mr G McAusland as a director of the Company.
4. To approve the appointment of Mr N J Crabb as a director of the Company
5. To ratify the previously declared interim dividend of 7p per Ordinary share as paid on 25 July 2008.

The Special Resolution to be considered is:

6. To renew the authority granted at the Extraordinary General Meeting of 30 July 2008 allowing the company to repurchase its own shares for Treasury or cancellation up to a maximum level of 10% of the Ordinary shares in issue at that date (being 10,800,000 Ordinary 1p shares).

In addition, the declared final dividend for the year ended 31 December 2007 of 6p per Ordinary share and paid on 14 March 2008 requires declaration as an interim dividend for 2009 in order to be treated as a lawful dividend. In order to declare this dividend, the Company is required to produce relevant accounts in accordance with the requirements of the Companies Act to justify such a payment. Consequently, unconsolidated interim results for the two months ended 28 February 2009 for Jarvis Securities plc as an entity only are set out below. The directors propose the payment of an interim dividend of 6.17p per Ordinary share (to take account of the reduction in issued share capital) to holders on the register at 6 March 2009 and to be treated as satisfied on the same date by release of the potential obligation to repay the distribution made to Members on 14 March 2008.

Subject to approval of resolution 5 at the Annual General Meeting, the net position of shareholders will not vary and this is not an additional payment in cash.

Enquiries:

Jarvis Securities plc                      Tel: 0870 224 1111  
Andrew Grant  
Mathew Edmett

Arbuthnot Securities                      Tel: 020 7012 2000  
Alasdair Younie  
Katie Shelton

Notes:

Jarvis Securities plc is the holding company for Jarvis Investment Management plc (AIM: JIM.L) a stock broking company and outsourced service provider for bespoke tailored financial administration. Jarvis was established in 1984 and is a member of the London Stock Exchange; a broker dealer member of PLUS Markets, authorised and regulated by the Financial Services Authority and an HM Revenue & Customs approved ISA manager. Jarvis has more than 30,000 retail clients and a growing number of institutional clients. As well as normal retail broking Jarvis provides cost effective and flexible share trading facilities within ISA and SIPP wrappers.

Jarvis provides outsourced and partnered financial administration services to a number of third party organisations. These organisations include advisers, stockbrokers, banks and fund managers. Jarvis can tailor its administration processes to the requirements of each organisation and has a strong reputation for flexibility and cost-effectiveness.

**JARVIS SECURITIES PLC**  
**INTERIM FINANCIAL STATEMENTS**  
For the two month period ended 28 February 2009

**COMPANY INCOME STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2009**

	<i>Notes</i>	Two Months Ended 28/2/09	£
<b>Continuing operations:</b>			
Revenue		1,548,340	
Administrative expenses		(70,856)	
Finance costs		(18)	
Profit before income tax	4	1,477,466	
Income tax charge	5	(75,600)	
Profit for the period	14	1,401,866	
Attributable to equity holders of the company			1,401,866

**COMPANY BALANCE SHEET AS AT 28 FEBRUARY 2009**

	<i>Notes</i>	28/2/09	£
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	6	310,872	
Intangible assets	7	40,962	
Goodwill	7	342,872	
Investments held to maturity	8	39,601	
Available-for-sale investments	9	86,251	
Investment in subsidiaries	10	112,118	
Deferred income tax		3,143	
		935,819	
<i>Current assets</i>			
Trade and other receivables	11	2,007,039	
Cash and cash equivalents	12	22,889	
		2,029,928	
<b>Total assets</b>		<b>2,965,747</b>	
<b>Equity and liabilities</b>			
<i>Capital and reserves</i>			
Share capital	13	105,000	
Share premium	14	779,934	
Capital redemption reserve	14	9,845	
Revaluation reserve	14	85,152	
Other reserves	14	56,819	
Retained earnings	14	1,428,413	
Own shares held in treasury	14	(83,319)	
Total equity	14	2,381,844	
<i>Current liabilities</i>			
Trade and other payables	15	412,354	
Income tax	15	171,549	
Total liabilities	15	583,903	
<b>Total equity and liabilities</b>		<b>2,965,747</b>	

**CASHFLOW STATEMENT  
FOR THE PERIOD ENDED 28 FEBRUARY 2009**

28/2/09

	£
<b>Cash flow from operating activities</b>	
Profit before income tax	1,477,466
Depreciation and amortisation	25,417
Cost of share options	1,806
Finance costs	18
	1,504,707
(Increase) in trade and other receivables	(164,530)
(Decrease) in trade payables	(1,310,685)
<b>Cash generated from operations</b>	29,492
Interest paid	(18)
<b>Net cash from operating activities</b>	29,474
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(4,569)
	(4,569)
<b>Cash flows from financing activities</b>	
Net cash used in financing activities	-
Net increase in cash and cash equivalents	24,905
Cash and cash equivalents at the start of the period	(2,016)
<b>Cash and cash equivalents at the end of the period</b>	22,889

**NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS**

**1. Basis of preparation**

The company has adopted the requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, and financial assets and liabilities at fair value through profit or loss.

These interim financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied. These accounting policies comply with applicable IFRS standards and IFRIC interpretations issued and effective at the time of preparing these statements.

The following IFRS standards, amendments and interpretations are effective for the company from 1 January 2009. The adoption of these standards, amendments and interpretations does not have a material impact on the company's profit for the period or equity:

- IFRIC 13 Customer Loyalty Programmes
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IAS1 Presentation of Financial Statements (revised September 2007)
- IFRS 8 Operating Segments
- IAS 32 Financial Instruments - Presentation (Amendments)
- IAS1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendment to IFRS 2 Share Based Payment - Vesting Conditions and Cancellations
- IAS 23 Borrowing Costs
- IAS 27 Consolidated and Separate Financial Statements
- IFRS 3 Business Combinations
- IFRIC 15 Agreements for the Construction of Real Estate
- IAS 39 Financial Instruments: Recognition and Measurement (Amendment) - Eligible Hedged Items

Reclassification of Financial Assets (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)

IFRIC 17 Distributions of Non-cash Assets to Owners

IFRS 1 First- time Adoption of International Financial Reporting Standards (revised)

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where the assumptions and estimates are significant to the consolidated financial statements are detailed in note 18.

## **2. Summary of significant accounting policies**

### **(a) Revenue**

Revenue represents net sales of services excluding value added tax.

### **(b) Property, plant and equipment**

All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on cost in equal annual instalments over the lives of the assets at the following rates:

Leasehold improvements - 33% on cost

Motor vehicles - 15% on cost

Office equipment - 20% on cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

### **(c) Intangible assets**

Intangible assets are capitalised at their fair value on acquisition and carried at cost less accumulated amortisation. Amortisation is charged to administrative expenses within the income statement and provided on cost in equal annual instalments over the lives of the assets at the following rates:

Databases - 4% on cost

Software developments - 33% on cost

Website - 33% on cost

Impairment reviews of intangible assets are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

### **(d) Goodwill**

Goodwill represents the excess of the fair value of the consideration given over the aggregate fair values of the net identifiable assets of the acquired trade and assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

### **(e) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing or the reversal of the timing difference is controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future.

### **(f) Segmental reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The directors regard the operations of the company as a single segment.

### **(g) Operating leases and finance leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at the profit before income tax. Where the company has entered into finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than right to legal title.

### **(h) Finance lease interest**

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**(i) Investments**

The company classifies its investments in the following categories: investments held to maturity, investments held for trading and available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

**Investments held to maturity**

Investments held to maturity are stated at cost. An investment is classified in this category if acquired principally with the intention of holding indefinitely. Assets in this category are classified as non-current.

**Investment held for trading**

Investments held for trading are stated at fair value. An investment is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current.

**Available-for-sale investments**

Available-for-sale investments are stated at fair value. They are included in non-current assets unless management intends to dispose of them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or been transferred and the company has transferred substantially all the risks and rewards of ownership. Realised and unrealised gains and losses arising from changes in fair value of investments held for trading are included in the income statement in the period in which they arise. Unrealised gains and losses arising in changes in the fair value of available-for-sale investments are recognised in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for an investment is not active, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The company assesses at each balance sheet date whether there is objective evidence that an investment is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value below its cost is considered in determining whether the security is impaired.

**(j) Share Capital**

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from proceeds, net of income tax.

Where the company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

**(k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**(l) Current income tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate based on the taxable profit for the year.

**(m) Dividend distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which interim dividends are notified to shareholders and final dividends are approved by the company's shareholders.

**3. Segmental information**

All of the reported revenue and operational results for the period derive from the company's continuing operations.

**4. Profit before income tax**

Profit before income tax is stated after charging:

Directors' emoluments

Depreciation – owned assets

28/2/09

£

2,000

22,414

Amortisation	3,003
Operating lease rentals – land and buildings	10,583
Finance costs	18
	<hr/>

#### Directors' emoluments

Fees	2,000
------	-------

#### Details of the highest paid director are as follows:

Aggregate emoluments	2,000
----------------------	-------

#### Key personnel

The executive directors are considered to be the key management personnel of the company.

<b>5. Income and deferred tax charges</b>	28/2/2009
	£

Based on the adjusted results for the period:

UK corporation tax	75,600
--------------------	--------

Total current income tax	75,600
--------------------------	--------

#### 6. Property, plant and equipment

	Leasehold Improvements	Motor Vehicle	Office Equipment	Total
Cost:	£	£	£	£
At 1 January 2008	56,212	27,057	214,314	297,583
Additions	284,561	36,601	54,363	375,525
Disposal	(52,431)	-	(31,570)	(84,001)
At 31 December 2008	288,342	63,658	237,107	589,107
At 28 February 2009	288,342	63,658	237,107	589,107
<b>Depreciation:</b>				
At 1 January 2008	41,191	7,912	161,133	210,236
Charge for the year	77,006	9,092	29,583	115,681
On disposal	(42,438)	-	(27,658)	(70,096)
At 31 December 2008	75,759	17,004	163,058	255,821
Charge for the year	16,018	1,591	4,805	22,414
At 28 February 2009	91,777	18,595	167,863	278,235
<b>Net Book Value:</b>				
At 28 February 2009	196,565	45,063	69,244	310,872
At 31 December 2008	212,583	46,654	74,049	333,286

#### 7. Intangible assets and goodwill

	Goodwill	Databases	Software Development	Website	Total
Cost:	£	£	£	£	£
At 1 January 2008	342,872	25,000	93,521	70,185	531,578
Additions	-	-	972	18,884	19,856
At 31 December 2008	342,872	25,000	94,493	89,069	551,434
Additions	-	-	1,569	3,000	4,569
At 28 February 2009	342,872	25,000	96,062	92,069	556,003
<b>Amortisation:</b>					
At 1 January 2008	-	4,427	89,379	56,415	150,221
Charge for the year	-	1,250	2,834	14,861	18,945
At 31 December 2008	-	5,677	92,213	71,276	169,166
Charge for the year	-	208	281	2,514	3,003
At 28 February 2009	-	5,885	92,494	73,790	172,169
<b>Net Book Value:</b>					
At 28 February 2009	342,872	19,115	3,568	18,279	383,834
At 31 December 2008	342,872	19,323	2,280	17,793	382,268

In reviewing the value of goodwill for impairment, the directors have assumed an attrition rate of 7.0% based upon the actual rate for the previous period and a discount rate of 2.0%. The discounted cashflow is calculated over a period of 5 years. For impairment to the goodwill value to occur, the attrition rate would need to exceed 86.7% or the discount rate would need to exceed 24.5%.

#### 8. Investments held to maturity

<b>Unlisted Investments:</b>	28/2/2009
Cost:	£

At 1 January 2009	39,601
-------------------	--------

As at 28 February 2009 39,601

Unlisted investments held to maturity are stated at cost.

Unlisted investments are interests held in the following company registered in the United Kingdom:

	<u>Shareholding</u>	<u>Holding</u>	<u>Business</u>
Alexander David Securities Group plc	£39,601 at par	Loan notes	Stockbrokers
			<u>28/2/2009</u>

### 9. Available-for-sale investments

#### Listed Investments:

<i>Cost:</i>			
At 1 January 2009			57,500
On revaluation			<u>28,751</u>
As at 28 February 2009			<u>86,251</u>

Listed investments are stated at their market value at 28 February 2009.

Listed investments are interests held in the following company registered in the United Kingdom:

	<u>Shareholding</u>	<u>Holding</u>	<u>Business</u>
Alexander David Securities Group plc	2.7% 11,500,096	1p Ordinary shares	Stockbrokers
			<u>28/2/2009</u>

### 10. Investments in subsidiaries

#### Unlisted Investments:

<i>Cost:</i>			
At 1 January 2009			111,204
Additions ( <i>capital contributions re share option costs</i> )			914
As at 28 February 2009			<u>112,118</u>

	<u>Shareholding</u>	<u>Holding</u>	<u>Business</u>
Jarvis Investment Management plc	100% 10,030,000	1p Ordinary shares	Financial administration
Dudley Road Nominees Limited*	100% 2	£1 Ordinary shares	Dormant nominee company
JIM Nominees Limited*	100% 1	£1 Ordinary shares	Dormant nominee company
Galleon Nominees Limited*	100% 2	£1 Ordinary shares	Dormant nominee company
Sharegain Limited*	100% 1	£1 Ordinary shares	Dormant company

\* *indirectly held*

### 11. Trade and other receivables

<i>Amounts falling due within one year:</i>		<u>28/2/2009</u>
		£
Trade receivables		107,892
Amounts owed by group undertakings		322,436
Other receivables		22,887
Charge against ordinary shares		1,393,345
Prepayments and accrued income		<u>160,479</u>
		<u>2,007,039</u>

### 12. Cash and cash equivalents

		<u>28/2/2009</u>
		£

Balance at bank and in hand		22,889
		<u>22,889</u>

### 13. Share capital

		<u>28/2/2009</u>
		£

#### Authorised:

16,000,000 Ordinary shares of 1p each		<u>160,000</u>
---------------------------------------	--	----------------

#### Allotted, issued and fully paid:

10,500,000 (2007: 10,800,000) Ordinary shares of 1p each		<u>105,000</u>
--	--	----------------

A total of 600,000 options were granted to directors and employees on admission of the company to trading on AIM on 23 December 2004 and a further 50,000 to a director on 20 January 2007. These options were granted with an exercise price of 82.5p and are first exercisable on 23 December 2009 and with a last exercise date of 23 December 2014. In addition, 230,000 options were granted on 18 May 2007 to directors and employees with an exercise price of 175p and are first exercisable on 17 May 2012 and with a last exercise date of 17 May 2017. The total number of options currently unexercised and in issue is 820,000.

The following options were granted to directors and remain in issue:

	<u>at 82.5p</u>	<u>at 175p</u>
A J Grant	273,500	76,500
M J Edmett	175,000	50,000

### 14. Capital and reserves

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Other reserves	Retained earnings	Own shares held in treasury	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2008	108,000	779,934	6,845	-	34,010	100,890	(1,930)	1,027,749
Profit for the financial year	-	-	-	-	-	675,285	-	675,285
Expense of employee options	-	-	-	-	20,089	-	-	20,089
Deferred tax charged to equity	-	-	-	-	-	(29,305)	-	(29,305)
Purchase of own shares	-	-	-	-	-	-	(842,962)	(842,962)
Cancellation of own shares	(3,000)	-	3,000	-	-	(720,323)	720,323	-
Sale of shares from treasury	-	-	-	-	-	-	41,250	41,250
Investment revaluation	-	-	-	56,401	-	-	-	56,401
At 31 December 2008	105,000	779,934	9,845	56,401	54,099	26,547	(83,319)	948,507
Profit for the period	-	-	-	-	-	1,401,866	-	1,401,866
Expense of employee options	-	-	-	-	2,720	-	-	2,720
Investment revaluation	-	-	-	28,751	-	-	-	28,751
At 28 February 2009	105,000	779,934	9,845	85,152	56,819	1,428,413	(83,319)	2,381,844

Other reserves relates to the provision for the estimated cost of employee share options.

#### 15. Trade and other payables

Amounts falling due within one year:

Trade payables	26,795
Other provisions	385,559
<b>Trade and other payables</b>	<b>412,354</b>
Income tax	171,549
<b>Total liabilities</b>	<b>583,903</b>

#### 16. Operating lease commitments

At 28 February 2009 the company was committed to making the following payments in respect of operating leases which expire:

Land & buildings:

After more than five years: 608,542

On 26 September 2007 the company entered into a lease with Sion Holdings Limited, its parent company, for the rental of 78 Mount Ephraim, a self-contained office building. The lease has an annual rental of £63,500, being the market rate on an arm's length basis, and expires on 26 September 2017.

#### 17. Financial Instruments

The company's principal financial instruments comprise cash, short terms borrowings and various items such as trade receivables, trade payables etc. that arise directly from operations. The main purpose of these financial instruments is the funding of the company's trading activities.

The main financial asset of the company is cash and cash equivalents which is denominated in sterling and which is detailed in note 12. The company also holds investments in equities and loan notes.

Short-term receivables and payables are excluded from these disclosures.

#### 18. Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate to goodwill and the expense of employee options.

The company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (d). These calculations require the use of estimates. The assumptions and sensitivity relating to the impairment tests are detailed in note 7.

Employee options are expensed equally in each year from issue to the date of first exercise. The total cost is calculated on issue based on the Black Scholes method with a volatility rate of 30% and a risk free interest rate of 3.75%. It is assumed that all current employees with options will still qualify for the options at the exercise date.

#### **19. Immediate and ultimate parent undertaking**

The company's immediate and ultimate parent undertaking is Sion Holdings Limited, a company registered in England and Wales. The largest set of accounts that Jarvis Securities plc is consolidated into is that of Sion Holdings Limited. Sion Holdings Limited is controlled by Mr A J Grant by virtue of his majority shareholding.

#### **20. Related party transactions**

Jarvis Investment Management plc paid a performance related management charge to Jarvis Securities plc of £250,000 during the period. Other receivables for the company include £5,000 due from Mr M J Edmett, a director of the company.

#### **21. Event after the balance sheet date**

Amounts totalling £1,393,345 were paid to shareholders during 2008 as dividend payments. Due to a procedural issue, these distributions require ratification by the Members at the Annual General Meeting as an interim dividend for 2009 in order to be treated as a lawful dividend. Consequently the Board proposes the payment of an interim dividend as detailed in the recent Notice of Meeting sent to Members.

#### **22. Capital commitments**

The company had no capital commitments at 28 February 2009.

#### **23. Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

#### **24. Financial risk management objectives and policies**

The directors consider that their main risk management objective is to monitor and mitigate the key risks to the company, which are considered to be principally credit risk and liquidity risk. Several high-level procedures are already in place to enable all risks to be better controlled. These include detailed profit forecasts by business segment, monthly management accounts and comparisons against forecast, and regular meetings of the full Board of Directors.

The company's main credit risk is in respect of trade receivables. The company's policy is to monitor trade and other receivables and avoid significant concentrations of credit risk. Aged receivables reports are reviewed regularly and significant items brought to the attention of senior management.

The company aims to fund its expansion plans mainly from existing cash balances without making use of bank loans or overdraft facilities. Other risks are under constant review by the executive directors.

The directors do not consider that the company is materially exposed to foreign exchange risk or interest rate risk.